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Ex Dir Memo Chrono

30 May 1984

MEMORANDUM FOR: DCI

VIA: DDCI

SUBJECT: Personnel Issues Related to Erosion of Benefits for
the Federal ServiceREFERENCES: a) Your note to D/Pers and D/OLL, enclosed
b) D/Pers response dtd 25 May 1984

1. I share, as I believe you well know, Bob Magee's concerns about homogenization (para. 2) and continued loss of the Agency's unique identity.

2. Since Jim Schlesinger's report to President Nixon on DCI management of the Community, and particularly in recent years as the oversight staffs and the IC Staff have played increasingly significant roles, there has been an observable increase in the tendency to develop common Community standards -- whether for ADP formatting or for resolving personnel management concerns.

3. With Schlesinger, Turner, Frank Carlucci and Bobby Inman, Agency claims of uniqueness fell on deaf ears; in fact, those here who resisted Community solutions to problems like domestic relocation financial loss, the pension strategy, et al were seen as egocentric elitists or as dogs in the manger.

4. It may be that with further passage of time the situation may change, but I believe that the CIA has been and is the quality staff in support of the DCI and the President, the first among equals, in the Intelligence Community. We can't shout that from the rooftops to others in the Community, nor expect others whose initial Government experience was elsewhere to leap to that conclusion. But, if we can sustain it, the Country benefits. We have always said, and I believe, that the reason for that quality was: a) the people it hired and kept; and b) the special authorities the DCI was given as the head of CIA.

5. So, I agree strongly with Magee. In fact, having said this much, I would think that you might get significant mileage from a [] review of your Corporate vs. your Company hat, with the staggering growth of committees, working groups, steering groups, panels and staffs since the 60's, the blurring of tactical and strategic intelligence boundaries, and the growth of near real time national collection systems.

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Executive Director

MAY 25 1984

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence
Executive Director

FROM: Robert W. Magee
Director of Personnel

SUBJECT: Personnel Issues Related to the Erosion of
Benefits for the Federal Service

REFERENCE: DCI Memo to D/NSA, dtd 18 May 84, Same Subject

1. I share a concern that deteriorating benefits for the civil servants could impact on our ability to recruit and retain the quality people necessary in the intelligence profession. I urge, however, that we not seek a Community solution.

2. A persuasive case can be made that CIA employees are unique, not only because of their quality and performance level, which may be duplicated in other areas, but also because of the demands we place on them, which are generally not duplicated elsewhere. The trend towards homogenization of personnel in the Intelligence Community is a threat to our earned special status. While good people, particularly those in advanced technical fields, may be difficult to hire, it is not impossible. This Agency has a lot to offer beyond the payroll. Our job is to make sure that applicants understand the challenges and satisfactions of an Agency career and to offer them as high a wage as we can reasonably do. I am confident we can continue to produce the quality and quantity of Agency employees we need. Here is a recent example:

-- As you may recall, last November we mounted a massive assault on MIT. Fifteen Agency employees representing each of the Directorates went to Cambridge and gave an audience of 125 the old razzmatazz. I would have been satisfied with one new employee because our intent was basically to introduce a CIA career into the MIT mentality. As of right

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now, we have three MIT students cleared and scheduled to enter on duty this summer (one-ODP, two-OSWR), two others still in process and a couple who are interested in an Agency career after an additional year of graduate study at MIT.

- 25X1 -- The most interesting case, however, is the one that got away. There was a splendid applicant by the name of [redacted] an astrophysicist, whose testing and interviewing confirmed our judgment that he was just right for OD&E. We made him an offer which he regretfully declined because he got a better offer from [redacted].
- 25X1 [redacted] We did not fold. Bob Kohler got directly involved and invited [redacted] back to Washington where Bob personally described the attractiveness of an Agency career. We also jacked up the offer to \$28,000. For a few days it was a near-run thing, but after some anguish, alas,
- 25X1 [redacted] opted to go with [redacted] which offered him a full year graduate study at MIT with a guaranteed high salary after graduation. I am sorry we lost him, but it was close enough to make me confident that this type of aggressive recruitment will, in the long run, produce as many winners as losers.
- We did a similar assault at Stanford and while it is too soon to quote numbers, attractive candidates are moving through the process.

It is too early to reach any definitive conclusions from the MIT- and Stanford-type approaches. I am optimistic because we have a great product. The "we're special" line is attractive and produces results. Thus, I am wary of getting too involved in Community solutions which might dilute our specialness.

3. General Faurer expresses concern that we will lose our good employees to private industry. Possibly, but what about our actual separation rates for engineers? Contrary to popular belief, we have a good retention rate, better than NSA. Here's the data for FY-81, 82 and 83:

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	<u>Agency Professionals</u>	<u>Agency Engineers</u>	<u>ODE GS-14/15</u>
1981			
1982			
1983			
AVERAGE			

We lose some, but not many. There is a lot of anticipatory concern that we may lose more in the future but it is interesting to note, for example, that OD&E, an office with understandable concerns, has a low separation rate at the critical GS-14/15 level. This is a good place to work and generally our people know it. The "Excellence" program should make it even better.

4. In granting special authorities to the DCI in 1947, Congress accepted the unique challenges we face in recruiting and retaining highly qualified personnel. This situation has not changed and I believe there is a danger in trying to extend it to other agencies, who for the most part are elements in a larger organization. Let's not forget that other agencies in this Community enjoy privileges that we do not.

- FBI agents who work outside of Headquarters get 25% of base pay as a differential which goes also towards retirement calculations, a very tidy benefit.
- The vast majority of people in the DoD intelligence apparatus enjoy all the benefits of the uniform services.
- The Foreign Service enjoys its overseas premium pay while serving in the U.S. for up to eight years.
- DEA gets 2 1/2% towards retirement versus our 2% for CIARDS and roughly 1 3/4% for Civil Service.

We should preserve our legislative equities for those issues which directly affect the Agency, primarily, at this time, our new retirement supplemental package. During an earlier discussion with my counterpart at NSA, she asked for my views on a Community retirement package. I told her that I did not favor it. Each agency has a complex arrangement of benefits which the agencies' managers feel best for their specific services. Trying for general solutions risks more than we might gain. She seemed to accept the logic.

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Federal Service

5. In sum, I favor this Agency taking actions that sensitize the Administration to the risks involved in any significant tampering with the entire Civil Service benefits package. I am generally against Intelligence Community solutions for problems which can be better handled by individual agencies. I would recommend that if a small task force is established that it be steered in such a way to produce a report expressing general concern of deterioration of our Civil Service benefits but not specifying actions for the Intelligence Community per se.

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Robert W. Magee

cc: DDA
D/OLL

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D/Pel 84-2207

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Personnel Issues Related to the Erosion of Benefits for the Federal Service

FROM:

Robert W. Magee
Director of Personnel

EXTENSION

NO.

4 May 1984

TO: (Officer designation, room number, and building)

DATE

COMMENTS (Number each comment to show from whom. Draw a line across column after each comment.)

DDA / received.com

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Executive Director

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Deputy Director of
Central Intelligence

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Director of
Central Intelligence

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